

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN EXAMINATION BY THE PUBLIC SERVICE)	
COMMISSION OF THE APPLICATION OF THE)	
FUEL ADJUSTMENT CLAUSE OF INTER-COUNTY)	CASE NO. 90-378
RURAL ELECTRIC COOPERATIVE CORPORATION)	
FROM NOVEMBER 1, 1988 TO OCTOBER 31,)	
1990)	

O R D E R

Pursuant to Commission Regulation 807 KAR 5:056, the Commission on November 30, 1990 established this case to review and evaluate the operation of the fuel adjustment clause ("FAC") of Inter-County Rural Electric Cooperative Corporation ("Inter-County") from November 1, 1988 to October 31, 1990.

As a part of this review, the Commission ordered Inter-County to submit certain information including, inter alia, its monthly fuel charges for the period under review and an affidavit attesting to its compliance with Commission Regulation 807 KAR 5:056. Inter-County has complied with this Order. The Commission further ordered that a public hearing be held in this case, but cancelled it when, after publication of notice, no interested party advised the Commission of its intention to attend.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that:

1. Inter-County has complied in all material respects with the provisions of Commission Regulation 807 KAR 5:056.

2. East Kentucky Power Cooperative, Inc. ("EKPC"), the wholesale supplier of Inter-County, has been authorized to transfer (roll-in) a 0.54 mills per KWH increase in its base fuel cost to its base rates.¹

3. Inter-County should be authorized to transfer (roll-in) a 0.58 mills per KWH increase in its base fuel costs to its base rates to reflect, as adjusted for line loss, the transfer of a 0.54 mills per KWH increase in EKPC's base rates and this can best be accomplished by an energy adder to each KWH sold.

4. The rates and charges in Appendix A, attached hereto and incorporated herein, are fair, just, and reasonable and reflect the transfer of fuel costs from the FAC to the base rate.

IT IS THEREFORE ORDERED that:

1. The charges and credits applied by Inter-County through its FAC for the period November 1, 1988 to October 31, 1990 be and they hereby are approved.

2. Inter-County be and it hereby is authorized to transfer to base rates those fuel costs (as adjusted for line-loss) rolled-in by EKPC from its FAC to its base rates.

¹ Case No. 90-361, An Examination by the Public Service Commission of the Application of the Fuel Adjustment Clause of East Kentucky Power Cooperative, Inc. from November 1, 1988 to October 31, 1990.

3. The rates in Appendix A are approved for service rendered by Inter-County on and after May 1, 1991.

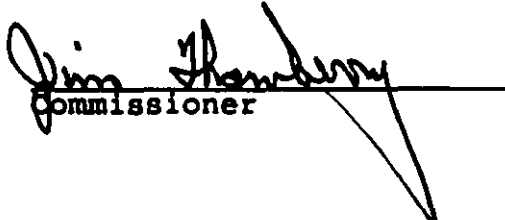
4. Within 30 days of the date of this Order, Inter-County shall file with the Commission revised tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 3rd day of April, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 90-378 DATED 4/03/91

The following rates and charges are prescribed for the customers in the area served by Inter-County Rural Electric Cooperative Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

SCHEDULE 1 FARM AND HOME SERVICE

Rate

First 500 KWH Per Month	\$0.07411 Per KWH
All over 500 KWH Per Month	0.05673 Per KWH

SCHEDULE 2 SMALL COMMERCIAL AND SMALL POWER

Rate

Energy Charge

First 1,000 KWH Per Month	\$0.08560 Per KWH
All over 1,000 KWH Per Month	0.05870 Per KWH

SCHEDULE 4 LARGE POWER RATE (LPR)

Rate

Energy Charge

First 10,000 KWH Per Month	\$0.05911 Per KWH
All over 10,000 KWH Per Month	0.05210 Per KWH

Rate

Rate Per Light Per Month

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Energy Charge **\$0.02593 Per KWH**